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499 Park Avenue
New York, New York 10022
(212) 328-6100

*Attorneys for Defendants Eugene Kasakove
and Markas Financial Services, Inc.*

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PHYLIS TANZ,

Plaintiffs, -against- EUGENE KASAKOVE and MARKAS FINANCIAL SERVICES, INC.,	CIVIL ACTION NO. 08-cv-01462-LAK
Defendants.	----- X

EUGENE KASAKOVE, pursuant to 28 U.S.C. § 1746, declares under penalty of perjury as follows:

1. I am a defendant in this action and the president of defendant, Markus Financial Services, Inc., (collectively, "Defendants"). I respectfully submit this Declaration in support of Defendants' Motion to Dismiss the Second Amended Complaint ("Complaint"). The purpose of this Declaration is to place before the Court copies of documents that Plaintiff has relied upon in drafting the Complaint and which are thus integral to the Complaint. Plaintiff had possession and knowledge of these documents when the Complaint was drafted.

2. Plaintiff mischaracterizes what she refers to in her Complaint as a \$100,000 investment in a trucking company controlled by me. That "investment" was not in a trucking company, but rather was a loan to a company called The Markas Group, which is a division of defendant MFS. The Markas Group is a factoring business which operated to factor the receivables of a trucking company named Rainbow Transport Services, Inc.

3. In 2001, Plaintiff invested \$100,000 in The Markas Group. Annexed hereto as Exhibit 1 are true and correct copies of three of the four \$25,000 checks made out to The Markas Group from Plaintiff.

4. The loan to The Markas Group was likely one of the better investments that Plaintiff ever made. From 2002 through 2006 Plaintiff earned annual returns on her investment of more than a 20%, 15%, 13%, 13% and 18%, respectively. Annexed hereto as Exhibit 2 are true and correct copies of 1099-INT statements issued to Plaintiff reflecting interest earned from 2002 through 2006 on her investment with The Markas Group.

5. At Plaintiff's request, on or about July 10, 2003, I sent her a letter confirming her investment in The Markas Group. A true and correct copy of the July 10, 2003 letter is annexed hereto as Exhibit 3.

6. The July 10, 2003 letter states on its face that Plaintiff's interest income from the \$100,000 investment in The Markas Group was not guaranteed.

7. Plaintiff received the return of her \$100,000 principal investment in The Markas Group in 2006. Annexed hereto as Exhibit 4 is a document reflecting the return of the \$100,000 principal investment to Plaintiff.

Dated: May 22, 2008
New York, New York


Eugene Kasakove

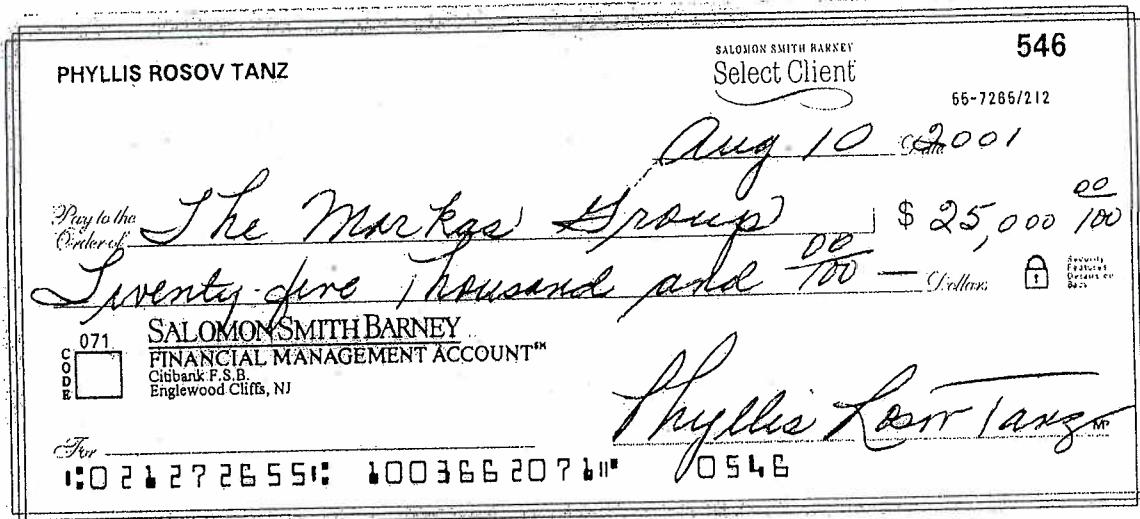
EXHIBIT 1

PRT

As per your instructions
here is check no (2)
I am sending in (as per)
your instructions)

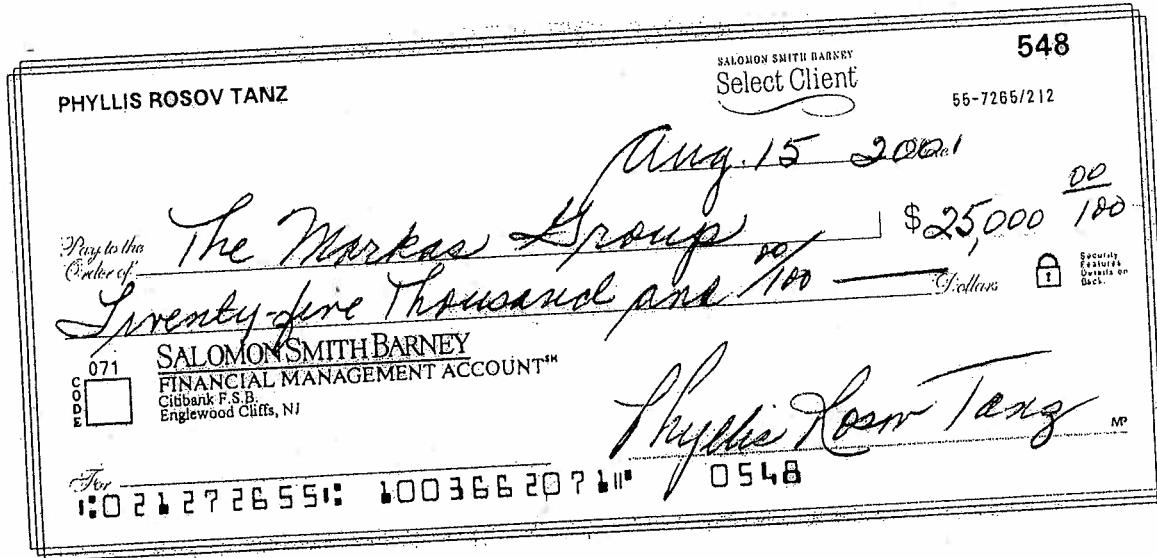
Hugs,

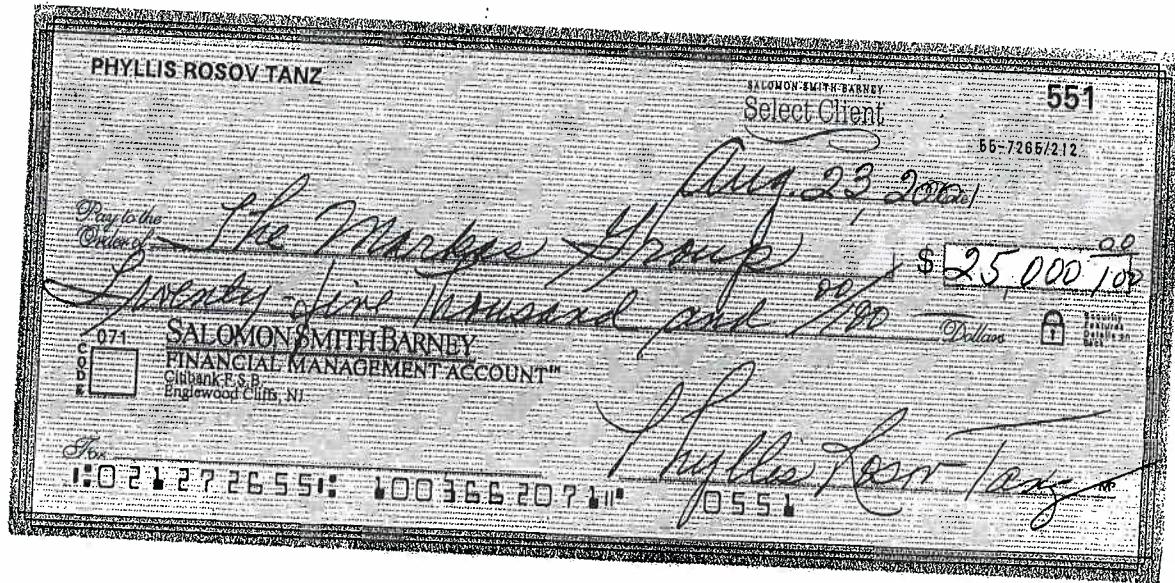
Phyllis



P.R.T

Here it is—
My faith in
Tyew. 
Hugs, Phyllis





PRT

I'm keeping the faith

Hugs

Phyllis

EXHIBIT 2

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112
MARKAS FINANCIAL SERVICES, INC. 167 STEPHENS PARK ROAD HACKETTSTOWN, NJ 07840-5518			2002
			Interest Income
PAYER'S Federal Identification number: 22-2451269		Form 1099-INT	
RECIPIENT'S name PHYLLIS ROSOV TANZ		1 Interest income not included in box 3 \$ 20,343.10	
Street address (including apt. no.) 715 PARK AVENUE 10D		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$
City, state, and ZIP code NEW YORK NY 10021-5047		4 Federal income tax withheld \$	5 Investment expenses \$
Account number (optional)		6 Foreign tax paid \$	7 Foreign country or U.S. possession
2nd TIN not. <input type="checkbox"/>		Department of the Treasury - Internal Revenue Service	

Form 1099-INT

Copy C
For Payer

For Privacy Act
and Paperwork
Reduction Act
Notice, see the
2002 General
Instructions for
Forms 1099,
1098, 5498,
and W-2G.

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		Payer's RTN (optional)	OMB No. 1545-0112
MARKAS FINANCIAL SERVICES, INC. 167 STEPHENS PARK ROAD HACKETTSTOWN, NJ 07840-5518			2003 Interest Income
PAYER'S Federal Identification number	RECIPIENT'S identification number	Form 1099-INT	
22-2451269	112-32-8738	1 Interest income not included in box 3 \$ 15,091.76	
RECIPIENT'S name PHYLLIS ROsov TANZ Street address (including apt. no.) 715 PARK AVENUE 10D City, state, and ZIP code NEW YORK NY 10021-5047		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$
Account number (optional)		4 Federal income tax withheld \$	5 Investment expenses \$
		6 Foreign tax paid \$	7 Foreign country or U.S. possession

Form 1099-INT

Department of the Treasury - Internal Revenue Service

Copy C
For Payer

For Privacy Act
and Paperwork
Reduction Act
Notice; see the
2003 General
Instructions for
Forms 1099,
1098, 5498,
and W-2G.

Mrs. Phyllis Rosov Tanz
715 Park Avenue Apt 10D
New York, NY 10021-5047

Dear Phyllis:

Enclosed with your Check in the amount of FOUR THOUSAND THREE HUNDRED EIGHTY SEVEN and 48/100 DOLLARS (\$4,387.48) for the period of collections from August 1, through October 31, is an IRS form 1099 for your 2003 taxes showing the total interest paid for the fiscal year.

If you have any questions, please feel free to contact me by any of the means shown above.

Thank you for choosing **THE MARKAS GROUP**, a division of MARKAS FINANCIAL SERVICES, INC. as your source for financial investment.

Sincerely,

Eugene L. Kasakove
President
ELK/es
Encls.

P.S. Enclosed is a check in the amount of \$5,000.00 as a *RETURN OF PRINCIPAL*.

VOID

CORRECTED

PAYER'S STREET ADDRESS OR MAILING ZIP CODE AND TELEPHONE MARKAS FINANCIAL SERVICES INC. 1167 STEPHENS PARK ROAD HACKETTSTOWN, NJ 07840-5816	PAYER'S ITIN NUMBER CITY (A-101) ZIP DIRECTOR THE FORT DODGE A MILITARY COMMUNITY HACKETTSTOWN, NJ 07840-5816	WYOMING 104670104 CITY (A-101) ZIP F0111099-INT	2004 Interest Income Interest Income net interest income (line 3) (US 11 WIC) \$ 137,194.54 Early withdrawal penalty \$ Investment in savings \$ Federal income tax withheld \$ Investment expenses \$ Foreign tax paid \$ Foreign country or U.S. possession \$	Copy C Payer and Reduction Act Notice issued the 2004 General Instructions for Forms 1099- 1096, 5498, and W-2G.
RECEIPT OF PAYMENT Date of payment Single address if individual 710 PARK AVENUE 10D Olivia M. and JP P. 2004 NEW YORK NY 10021-5047 Account number (optional)	2nd TIN not <input type="checkbox"/>			

MARKAS FINANCIAL SERVICES INC. 137 STEPHENS PARK ROAD HACKINGTOWN NJ 07810-1518 USA		PAYER'S IDENTIFICATION NUMBER 1112-3210538X3	RECIPIENT'S IDENTIFICATION NUMBER 1112-3210538X3	2005	Interest Income
U.S. Social Security number 111-22-151269	U.S. Social Security number 1112-3210538X3			Form 1099-INT	Copy C For Faver
U.S. Employer identification number B10113900V TANZ	U.S. Employer identification number 715 PARK AVENUE # 10D ONE PARK AVENUE NEW YORK NY 10021-5047			1 Interest income not included in box 3 2 12/17/51-50 3 Early withdrawal penalty 4 Interest on U.S. Treasury bonds and trust obligations 5 Federal income tax withheld 6 Investment expenses 7 Dividends 8 Reporting period 9 Foreign country or U.S. possession	Form 1099-INT 1099-5498 and W-2C
Form 1099-INT		Department of the Treasury - Internal Revenue Service			

VOID CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no.		PAYER's RTIN (optional)	OMB No. 1545-0112
MARKAS FINANCIAL SERVICES, INC. 167 STEPHENS PARK ROAD HACKETTSTOWN, NJ 07840-5518		1 Interest income \$ 18,297.81	2006 Interest Income
		2 Early withdrawal penalty \$	
PAYER'S federal identification number		Form 1099-INT	
22-2451269		3 Interest on U.S. Savings Bonds and Treas. obligations \$	
RECIPIENT'S name		4 Federal income tax withheld \$	5 Investment expenses \$
PHYLLIS ROsov TANZ Street address (including apt. no.) 715 PARK AVENUE 10D City, state, and ZIP code NEW YORK NY 10021-5047		6 Foreign tax paid \$	7 Foreign country or U.S. possession
Account number (see Instructions)		8 Tax-exempt interest \$	9 Specified private activity bond interest \$
		<input type="checkbox"/> 2nd TIN not.	

Form 1099-INT

Department of the Treasury - Internal Revenue Service

Copy C
For Payer

For Privacy Act
and Paperwork
Reduction Act
Notice, see the
2006 General
Instructions for
Forms 1099,
1098, 5498,
and W-2G.

EXHIBIT 3

THE MARKAS GROUP
167 STEPHENS PARK ROAD
HACKETTSTOWN, NJ 07840
TEL: (908) 850-3820 FAX: (908) 850-9455

July 10, 2003

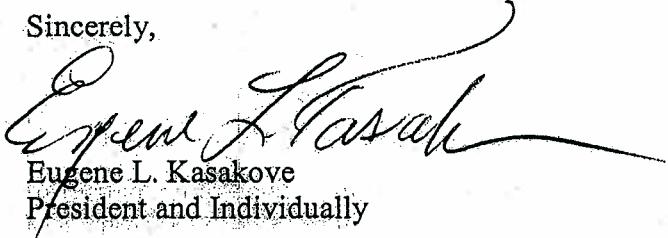
Mrs. Phyllis R. Tanz
715 Park Avenue Apt 10D
New York City, NJ 10021-5047

Dear Phyllis:

In further reference to our conversation of the other day, this will confirm your investment with THE MARKAS GROUP, a Division of MARKAS FINANCIAL SERVICES, INC in the amount of ONE HUNDRED THOUSAND and NO/ 100 DOLLARS (\$100,000.00). This letter and my signature thereon, will also serve to Guarantee your investment, as to principal. I cannot guarantee the income on your investment.

Should something happen to me; this letter will serve to advise the Executor of my Estate of the obligation, upon presentation of this letter to immediately return your invested funds, should no evidence exist that said funds were already returned.

Sincerely,



Eugene L. Kasakove
President and Individually

EXHIBIT 4

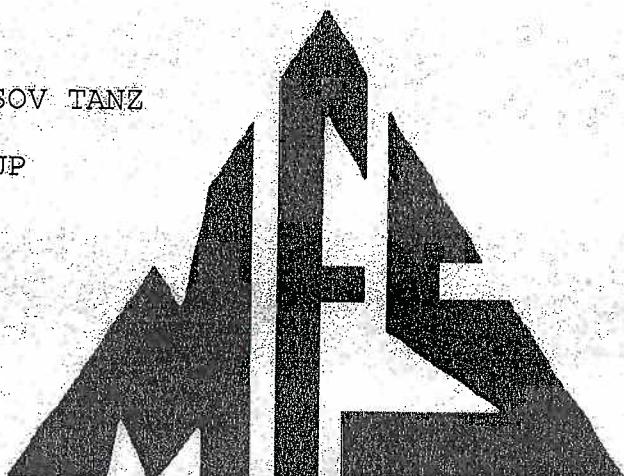
Date: 12/04/2006

Payee: INV-PHYLLIS ROSOV TANZ

Amount: \$100,000.00

Account: THE MARKAS GROUP

Acct #: 7856345710



Memo: Principal Investment -Refunded in full

THE MARKAS GROUP

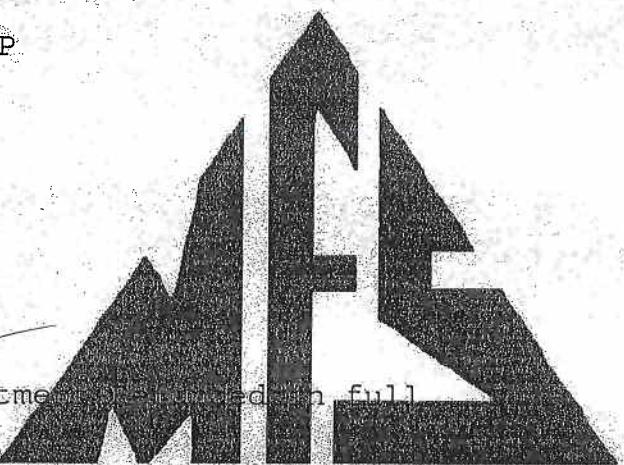
Date: 12/04/2006

Payee: INV-PHYLLIS ROSOV TANZ

Amount: \$100,000.00

Account: THE MARKAS GROUP

Acct #: 7856345710



Memo: Principal Investment -Refunded in full